

January 18, 1957



MEMORANDUM

EYES ONLY

SUBJECT: Discussion at the Special Meeting
in the President's Office on
Thursday, January 17, 1957

The following were present at the Special Meeting in the President's office: The President of the United States, presiding; the Vice President of the United States; the Secretary of State; the Secretary of Defense; the Director, Office of Defense Mobilization; the Secretary of the Treasury; the Director, Bureau of the Budget; the Chairman, Joint Chiefs of Staff; the Director of Central Intelligence; the Special Assistant to the President for National Security Affairs; the White House Staff Secretary; the Chairman, President's Board of Consultants on Foreign Intelligence Activities (for Item 1 only); the Deputy Secretary of Defense; and the Executive Secretary, NSC.

1. The semi-annual report to the President by the President's Board of Consultants on Foreign Intelligence Activities, which was submitted on December 20, 1956, presented orally at the meeting by Dr. James R. Killian, Jr., the Chairman of the Board.

Dr. Killian, before summarizing the Board's semi-annual report, explained that the Board members were only part-time advisers and did not claim any superior judgment over the responsible officials in the intelligence field. In fact, the Board hoped that their work would strengthen the hands of these officials. Dr. Killian expressed the Board's respect for what has been done so far in improving foreign intelligence, especially that done by Allen Dulles as Director of Central Intelligence. The principal difficulty the Board found was that the multiplicity of intelligence activities had created serious management and budgetary problems. Dr. Killian then summarized the Board's report, explaining the recommendations.

The President asked, regarding the proposal for central control and coordination, whether this applied, after the information had been collected, to the collation and production processes.

Dr. Killian explained that coordination was also needed in the collection process where, although in general there was not undue duplication, there were large budgetary problems involved.

The President expressed the belief that such centralized coordination would achieve savings both in the number of people and in the functions performed. He said that one recommendation which

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TOP SECRET

was especially close to his heart was the question of how intelligence would operate right after an emergency started. He pointed out that current studies present a terrible picture of the circumstances which will exist at that time. That is why the President had advised Allen Dulles to move further away from Washington. However, Mr. Dulles had explained that he could not operate effectively at a greater distance from other agencies. Yet, said the President, all our plans envisage that we will all be separated from each other during the initial stages of a war. The President believed that the question of the location of government buildings was much more important than had been realized to date. The President then asked Dr. Killian if the Board's recommendation for joint staffing of NSC 5412 programs contemplated adding more people who would know about such programs.

Dr. Killian said that the Board did not contemplate any change in NSC 5412, which provided an adequate basic charter.

Mr. Allen Dulles said that he was in agreement with the concept of joint approval, but did not agree with the idea of joint staffing if it meant that the staffs in three large organizations would study each paper. The President agreed that NSC 5412 programs could not be staffed throughout each of the agencies.

Mr. Cutler explained his understanding that the Board intended that each of the representatives designated under NSC 5412 would have one man to staff programs presented by Mr. Dulles. These three staff men would jointly consider and discuss Mr. Dulles' proposals before the designated representatives acted upon them.

The President said that if information concerning these programs goes beyond the three staff men, he would be against the recommendation. However, if each representative designates one staff man whom he can trust, the President would be agreeable.

Dr. Killian confirmed that the Board had only recommended that there be three men who look hard at each NSC 5412 proposal.

The President explained that he was increasingly concerned about the security of such matters when he reads in the papers reports of what has happened in very restricted meetings.

When Secretary Dulles asked if he must delegate approval of NSC 5412 programs, the President said that no one could assign a function to the Under Secretary and keep it from the Secretary. The approval of NSC 5412 projects had been assigned to three men acting for their principals, but that did not keep out the principals themselves.

Secretary Dulles said that if he did not want to tell anyone else about his ideas in this field, he did not think he should have to. He explained by one example that there are certain

suggestions which he might make to Allen Dulles but which he did not wish anyone in the Department to know. In these cases the closer such information was held, the better.



The President said that there were some things which came up in the NSC 5412 field which it was better that the President and the Secretaries should not know about so that they could be in a position to disavow them if necessary.

Mr. Allen Dulles explained that when a plan is suggested --as, for example, by the Secretary of State--CIA then develops a program to carry out that plan and that program is brought before the NSC 5412 group. Such a program will indicate whether additional funds are needed, and if they are not budgeted for, CIA will go to the Bureau of the Budget with the request.

The President expressed the view that there was nothing wrong with the existing procedures, because if something really hot was proposed, it would be discussed in a meeting in this room. After Mr. Cutler read the actual recommendation, the President expressed the view that CIA should come to the President or the Secretary of State or other responsible official to see if the idea for which they planned to develop a program was wise. The President felt that he or some other responsible official should know about the idea but nothing else concerning the details of the program.

Secretary Wilson asked whether covert operations and pure intelligence operations should not be separated. Both Mr. Dulles and Dr. Killian said this question had been looked at many times, and it was generally agreed that they should not be separated.

Secretary Wilson said that the highly important thing was the intelligence. If an agency also has operations, they tend to influence the intelligence. He pointed out that intelligence activities keep growing. The problem is how to get better information without spending more money.

Dr. Killian said this is just what his Board was saying; that is, that the total intelligence operation must be contained.

The President said he understood the first two recommendations to propose getting rid of duplication and keeping the National Security Agency's costs from going so far up. He thought we had to put a stop to that. Mr. Dulles pointed out that great value was received from the NSA activities. Secretary Wilson questioned that, but the President expressed his agreement with Mr. Dulles.

In answer to the President's question, Dr. Killian said that 15 or 25 scientists were contemplated in the scientific group to study COMINT. This would involve a four to six months' program. Mr. Dulles said that a small committee had already been set up to study this problem, but he thought the Board's recommendation for another group would be a useful follow-up.



Secretary Humphrey said that he was numb at the rate at which the expenditures were increasing in this field.

The President said there was one point he wished to make about intelligence. He did not think that intelligence reports should contain scattered details except where they give clear evidence of definite conclusions. This was why he favors the proposal for central coordination. He feels that too many details are being reported upon and that, instead, conclusions should be presented about twice a week.

However, he agreed with Dr. Killian that it would be extremely valuable if we could break the Soviet codes. He hoped that the scientific group proposed would advise NSA how to keep the work on productive means. The President said he was sure that there were many people from the different services and other agencies who were now reporting on the same thing. However, he expressed his agreement with the Board's recommendation for having a scientific group study the NSA problem.

Dr. Killian explained that the general proposal of the Board was that the Director of Central Intelligence should exercise tactfully centralized management supervision over the total intelligence effort.

The President said this recommendation would have another useful result. Everyone here would get, in the weekly intelligence reports, the same over-all information plus, in each case, the special things of particular interest to him. The information would be

collected and analyzed and evaluated before the people in this room get it. Mr. Dulles explained that he was trying to do just that now, and pointed out that each person in the room receives from CIA a daily summary, except the Vice President, and special arrangements could be made for him to receive it if he wished.

Dr. Killian pointed out that the lack of centralized coordination in intelligence has resulted in the creation of about 100 committees operating in this field.

Secretary Dulles said that he had been impressed with the duplication of reporting in foreign missions. He said that there were generally three overt channels for the same information from the representatives of State, Defense and CIA.

The President said that if the Director of Central Intelligence is to be in a position to supervise and coordinate the intelligence effort, the President felt that the recommendation for an Administrative Vice President under the Director was also essential. The President said that Mr. Dulles would also be in a position to advise the Ambassadors. Dr. Killian said his Board thought it was essential that the head of each foreign mission should be advised of intelligence obtained.

Secretary Humphrey expressed the belief that progress in coordination in this field had better be quick, or Congress would take over with a committee similar to the Joint Atomic Energy Committee.

Allen
Secretary Dulles expressed his concern that the military in certain areas were still running sizable covert activities overseas. Secretary Wilson said that we seem to keep the old activities like military attaches and just add on each new activity.

The President pointed out that we had been caught so badly at the beginning of World War II that we realized we had to have an effective intelligence service. However, in this effort there is danger that we will go overboard, and he wanted a single official who would show us how we could get better results.

Admiral Radford said the big problem was how to screen the mass of information and get it promptly to the people who need it. He suggested that we should concentrate more on individual resumes of what foreign leaders are doing.

Dr. Killian said that his Board was very proud of what has been done in the intelligence field, and is only trying to suggest means to improve it. The President pointed out that, except for the combat elements, we relied in 1942 and 1943 almost completely on British intelligence. He also was very proud of what has been accomplished in the intelligence field.

The Vice President referred to the necessity of the Ambassadors' being responsible for activities in their missions. He expressed the view that the majority of Ambassadors were either not too good or were too busy to exercise this responsibility. However, he felt that they should exercise more leadership in coordinating, and should have all the information that was available.

Mr. Cutler referred to the tabulation of suggested actions on the Board's recommendations, which he had shown to the President and to Dr. Killian. The President said he was in agreement with them, but suggested that they be circulated for comment by the people at this meeting before Presidential approval.

Following the above discussion the actions taken at the meeting were as follows:

1. a. Noted and discussed the semi-annual report to the President by the President's Board of Consultants on Foreign Intelligence Activities, dated December 20, 1956, as presented orally at the meeting by Dr. James R. Killian, Jr., Chairman of the Board.
- b. Noted the President's instruction that the suggested handling of the recommendations in the above report, be circulated to the attendants at this meeting for any comment prior to Presidential approval thereof. [Recommendations transmitted by Memorandum for the Statutory Members of the National Security Council from Executive Secretary, dated January 17, 1957.]
2. Noted the semi-annual report by the Director of Central Intelligence on the actions taken by the Central Intelligence Agency under NSC 5412/2 during the period from the last report, on May 3, 1956, to January 1, 1957.
3. Noted the priority national intelligence objectives, as approved on October 30, 1956, by the Director of Central Intelligence and the Intelligence Advisory Committee, and circulated to the National Security Council by Reference C [Memo for NSC from Executive Secretary, subject: "National Intelligence Objectives", dated December 10, 1956].

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Following the above meeting, Dr. Fleming asked if he could raise a question concerning oil production in Texas, which was of interest to many of the people at this meeting. Dr. Fleming explained that Texas was proposing an allowable production of 16 days for February. Since this was a short month, this was equivalent to 18 days. He pointed out that since the latest Navy reports indicated the Suez Canal would be open by March 1 and fully operational by the end of that month, he therefore suggested that the Federal Government should not intervene to change the Texas decision. After a discussion of the operational and political problems involved in the reopening of the Suez Canal, the President expressed his agreement with Dr. Fleming's conclusion.

The President also commented upon Prime Minister Nehru's evaluation that Nasser was the least objectionable of the ruling group in Egypt. The President also expressed his concern that the visit of King Saud would create a very undesirable precedent.

The Vice President also cautioned about the extent of Congressional opposition to a possible visit by Tito.


JAMES S. LAY, JR.
Executive Secretary, NSC